Manitoba Employee Pensions and Other Costs

Supplementary Information for Legislative Review

2009-2010 Departmental Expenditure Estimates

Manitoba

EMPLOYEE PENSIONS AND OTHER COSTS

SUPPLEMENTARY INFORMATION

FOR

LEGISLATIVE REVIEW

2009-2010 EXPENDITURE ESTIMATES

PREFACE

This document, produced by the Department of Finance, is intended to provide additional information to the members of the Legislature in their review of information on Employee Pensions and Other Costs contained in the Estimates of Expenditure for the fiscal year ending March 31, 2010.

The contents of this supplement are organized into three parts. The first part provides an overview of Employee Pensions and Other Costs 2009/10 Estimates of Expenditure. The second part provides financial information, including details for each of the programs, while part three provides historical information. It is hoped that it will provide meaningful additional information and that it will meet the needs of the users of the information. I welcome feedback as to the usefulness of this supplementary information.

Honourable Greg Selinger
Minister of Finance

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PART 1

DEPARTMENTAL OVERVIEW

EMPLOYEE PENSIONS AND OTHER COSTS

MINISTER

Honourable Greg Selinger

SECRETARY TO TREASURY BOARD

Tannis Mindell

OVERVIEW

The Benefits Administration Branch of Labour Relations Division, Treasury Board Secretariat, is responsible for providing central administrative services for government-wide employee benefits and insurance programs in accordance with collective agreements, legislation and personnel policies. Negotiated plans include the Ambulance and Hospital Semi-Private (AHSP), Dental, Vision Care, Prescription Drug and Long Term Disability plans as well as the Health Spending Account. The branch manages the chargeback and recovery of workers compensation costs from government departments and agencies and compiles financial information for statutory benefit and insurance programs including the Civil Service Superannuation Plan, Canada Pension Plan, Group Life Insurance, Employment Insurance and the Levy for Health and Post-Secondary Education.

Since October 2002 the employer's share of current service contribution has been included in department appropriations for new employees. Beginning in 2009/10 the employer's share of current service contributions for all employees has been included in department appropriations and the 2008/09 estimates have been adjusted for comparative purposes.

Provisions for premium-based benefits such as Canada Pension Plan and Employment Insurance have been adjusted to reflect changes in premium rates and maximum insurable earning levels, where applicable. Provisions for self-insured benefits, such as long term disability and dental, have been adjusted for anticipated changes in volume as well as changes in eligible expense coverage negotiated as part of existing collective agreements, where applicable. These costs will be recovered from departments.

SCHEDULE 1

EMPLOYEE PENSIONS AND OTHER COSTS
EXPENDITURE SUMMARY
BY APPROPRIATION

		Estimates of Expenditure 2009/10 $(000s)	Change From 2008/09 %	Estimates of Expenditure 2008/09 $(000s)*
1.	Employee Pensions and Other Costs	**15,124**	(13.3)	17,448
TOTAL APPROPRIATIONS FOR EMPLOYEE PENSIONS AND OTHER COSTS		**15,124**	(13.3)	17,448

***Reconciliation Statement**
$(000s)

Printed Estimates of Expenditure 2008/09	79,604
Allocation of Funds to:	
- Legislative Assembly	(557)
- Executive Council	(115)
- Aboriginal and Northern Affairs	(240)
- Advanced Education and Literacy	(6,034)
- Agriculture, Food and Rural Initiatives	(1,270)
- Civil Service Commission	(170)
- Competiveness, Training and Trade	(1,250)
- Conservation	(4,000)
- Culture, Heritage, Tourism and Sport	(750)
- Education, Citizenship and Youth	(1,596)
- Family Services and Housing	(5,670)
- Finance	(19,070)
- Health and Healthy Living	(3,175)
- Healthy Child Manitoba	(80)
- Infrastructure and Transportation	(6,650)
- Intergovernmental Affairs	(754)
- Justice	(7,970)
- Labour and Immigration	(820)
- Manitoba Seniors and Healthy Aging Secretariat	(25)
- Science, Technology, Energy and Mines	(1,400)
- Water Stewardship	(560)
Estimates of Expenditure 2008/09 (Adjusted)	17,448

SCHEDULE 2

EMPLOYEE PENSIONS AND OTHER COSTS
EXPENDITURE SUMMARY
BY SUB-APPROPRIATION

	ESTIMATES OF EXPENDITURE 2009/10 $(000s)		ESTIMATES OF EXPENDITURE 2008/09 $(000s)	
Civil Service Superannuation Plan:				
Pension Related Costs	66,701		63,697	
Less: Recoverable from other appropriations	(59,067)		(56,218)	
Subtotal		7,634		7,479
Other Salary Related Benefits		7,475		9,954
Workers Compensation Board:				
Assessments re: Accidents to Government Employees	4,875		4,276	
Less: Recoverable from other appropriations	(4,860)		(4,261)	
Subtotal		15		15
Canada Pension Plan	32,971		32,623	
Employment Insurance Plan	15,293		15,623	
Civil Service Group Life Insurance Plan	2,109		2,019	
Dental Plan	8,472		8,247	
Vision Care	1,201		1,253	
Prescription Drug Plan	3,660		3,754	
Ambulance and Hospital Semi-Private Plan	205		199	
Long Term Disability Plan	5,361		5,347	
Levy for Health and Post-Secondary Education	19,818		19,029	
Health Spending Account	1,887		1,697	
Subtotal		90,977		89,791
Less: Recoverable from other appropriations		(90,977)		(89,791)
TOTAL FOR EMPLOYEE PENSIONS AND OTHER COSTS		**15,124**		17,448

PART 2

PROGRAM AND FINANCIAL INFORMATION

Res. No.	Approp. No.	Employee Pensions and Other Costs (6) Details of Appropriation	**Estimates of Expenditure 2009/10 $(000s)**	Estimates of Expenditure 2008/09 $(000s)
6.1	1.	EMPLOYEE PENSIONS AND OTHER COSTS	**15,124**	17,448
		Provides for the cost of various payments related to employees, including: the employer's share of current service contributions; severance and separation pay liability; and other payments by the government as an employer.		
		(a) Civil Service Superannuation Plan		
		(1) Pension Related Costs	**66,701**	63,697
		(2) Less: Recoverable from other appropriations	**(59,067)**	(56,218)
		Subtotal (a)	**7,634**	7,479
		(b) Other Salary Related Benefits	**7,475**	9,954
		(c) Workers Compensation Board		
		(1) Assessments re: Accidents to Government Employees	**4,875**	4,276
		(2) Less: Recoverable from other appropriations	**(4,860)**	(4,261)
		Subtotal (c)	**15**	15
		Subtotal (a) to (c)	**15,124**	17,448
		(d) Canada Pension Plan	**32,971**	32,623
		(e) Employment Insurance Plan	**15,293**	15,623
		(f) Civil Service Group Life Insurance	**2,109**	2,019
		(g) Dental Plan	**8,472**	8,247
		(h) Vision Care	**1,201**	1,253
		(i) Prescription Drug Plan	**3,660**	3,754
		(j) Ambulance and Hospital Semi-Private Plan	**205**	199
		(k) Long Term Disability Plan	**5,361**	5,347
		(l) Levy for Health and Post-Secondary Education	**19,818**	19,029
		(m) Health Spending Account	**1,887**	1,697
		Subtotal (d) to (m)	**90,977**	89,791
		(n) Less: Recoverable from other appropriations	**(90,977)**	(89,791)
		TOTAL APPROPRIATIONS FOR EMPLOYEE PENSIONS AND OTHER COSTS	**15,124**	17,448

	Estimates of Expenditure 2009/10 $(000s)	Estimates of Expenditure 2008/09 $(000s)
CIVIL SERVICE SUPERANNUATION PLAN		
Pension Related Costs	**66,701**	63,697
Less: Recoverable from other appropriations	**(59,067)**	(56,218)
	7,634	7,479
Provides for the employer portion of current service contributions and other costs associated with administration of the plan.		
The current service contributions are recovered from other departments with respect to their employees.		
OTHER SALARY RELATED BENEFITS	**7,475**	9,954
Provides for the annual increase/decrease in the liabilities for severance, vacation and overtime entitlements for employees who have met the service requirements stated in the collective agreement and who are still members of the civil service.		
WORKERS COMPENSATION BOARD		
Assessment re: Accidents to Government Employees	**4,875**	4,276
Less: Recoverable from other appropriations	**(4,860)**	(4,261)
	15	15
Provides for the annual payments to government employees injured at work as assessed by the Workers Compensation Board (WCB) as well as fees paid to WCB for administration of the compensation plan. The annual payments are recovered from other departments in respect of their employees.		
The province is self-insured with respect to workers compensation payments, although the WCB provides administrative and assessment services.		
CANADA PENSION PLAN	**32,971**	32,623
Provides for the employer's matching contribution as required under *The Canada Pension Plan Act* for all eligible civil servants.		
EMPLOYMENT INSURANCE PLAN	**15,293**	15,623
Provides for the employer's share of premiums as required under *The Employment Insurance Act* for all civil servants.		

	Estimates of Expenditure 2009/10 $(000s)	Estimates of Expenditure 2008/09 $(000s)
CIVIL SERVICE GROUP LIFE INSURANCE PLAN Provides for the government's share (one-third) of payments under *The Public Servants Insurance Act* that provides for basic insurance coverage, including group life and accidental death and disablement insurance, for all eligible civil servants. Life insurance is provided to employees of up to five times their annual salary, to a maximum of $1.0 million. The employer contribution is 27.5% of the first four multiples only (employee funds 100% of the fifth multiple). Accidental death and disablement insurance is 100% employer paid and is based on the employee's annual salary multiplied by class (1 to 5), as selected under the life insurance plan, up to a specified maximum.	**2,109**	2,019
DENTAL PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the Dental Plan provides coverage for basic and major restorative dentistry to all eligible civil servants and their dependants, where applicable. The province is self-insured with the plan carrier (Manitoba Blue Cross) being reimbursed for payments made to government employees under the plan as well as an administrative fee. The plan pays for eligible dental care expenses, to a specified maximum, for both full-time and part-time employees. The annual basic coverage maximum is $1,475.00 and the orthodontic lifetime maximum is $1,675.00 for full-time employees. Part-time employees are eligible for family coverage based on 50% of the coverage amounts applicable for full-time employees, up to 50% of the maximum.	**8,472**	**8,247**
VISION CARE As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the Vision Care plan provides coverage for prescription lenses and eye examinations for eligible civil servants and their dependants, where applicable. The province is self-insured with the plan carrier (Manitoba Blue Cross) being reimbursed for payments made to government employees under the plan as well as an administrative fee. Full-time employees are reimbursed 80% for eligible vision care expenses, to a maximum of $225.00 while part-time employees are reimbursed 80% for eligible vision care expenses, to a maximum of $112.50, in each 24 month period.	**1,201**	**1,253**

	Estimates of Expenditure 2009/10 $(000s)	Estimates of Expenditure 2008/09 $(000s)
PRESCRIPTION DRUG PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the self-insured plan provides coverage for prescription drugs for eligible civil servants. The plan carrier (Manitoba Blue Cross) is reimbursed for payments made to government employees under the plan as well as an administrative fee. Full-time employees are reimbursed 80% for eligible expenses, to a maximum of $700.00 per family per calendar year, while part-time employees are reimbursed 80% for eligible expenses, to a maximum of $350.00 per family per calendar year.	**3,660**	3,754
AMBULANCE AND HOSPITAL SEMI-PRIVATE PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the Supplementary Health Plan provides for an Ambulance and Hospital Semi-Private Plan to all eligible civil servants. Premium payments to the plan carrier (Manitoba Blue Cross) are made, based on the number of eligible employees. Full-time and part-time employees are eligible for coverage, although part-time employees are eligible for single coverage only. Premium payments to the plan carrier are 100% employer paid. Part-time employees may elect to increase their coverage to include family members by paying the difference between the family premium and single premium through voluntary payroll deductions.	**205**	199
LONG TERM DISABILITY (LTD) PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the LTD Plan provides partial income protection to eligible full-time and part-time employees. The province is self-insured with the plan carrier (Great-West Life) being reimbursed for payments made to government employees under the plan including administrative expenses.	**5,361**	5,347
LEVY FOR HEALTH AND POST-SECONDARY EDUCATION Provides for the province's payment as required by *The Health and Post-Secondary Education Tax Levy Act.*	**19,818**	**19,029**

	Estimates of Expenditure 2009/10 $(000s)	Estimates of Expenditure 2008/09 $(000s)
HEALTH SPENDING ACCOUNT As negotiated, this plan provides reimbursement of eligible costs to employees when the annual maximum claim limit of other benefit plans has been exceeded. Claim maximums are $350.00 for full-time employees and $175.00 for part-time employees per year (per family). The plan is 100% employer funded.	**1,887**	**1,697**
RECOVERABLE FROM OTHER APPROPRIATIONS Provides for the recovery from other departments for the cost of the various employee benefits plans and related overhead charges, as well as the health spending account. Costs associated with Other Salary Related Benefits, which reflect changes in the severance, vacation, overtime and long term disability liabilities, and with the Civil Service Superannuation Plan and LTD legal costs are not recovered from departments.	**(90,977)**	(89,791)

PART 3

HISTORICAL INFORMATION

EMPLOYEE PENSIONS AND OTHER COSTS
FIVE YEAR EXPENDITURE SUMMARY BY SUB-APPROPRIATION
($000)
FOR YEARS ENDING MARCH 31, 2006 - MARCH 31, 2010

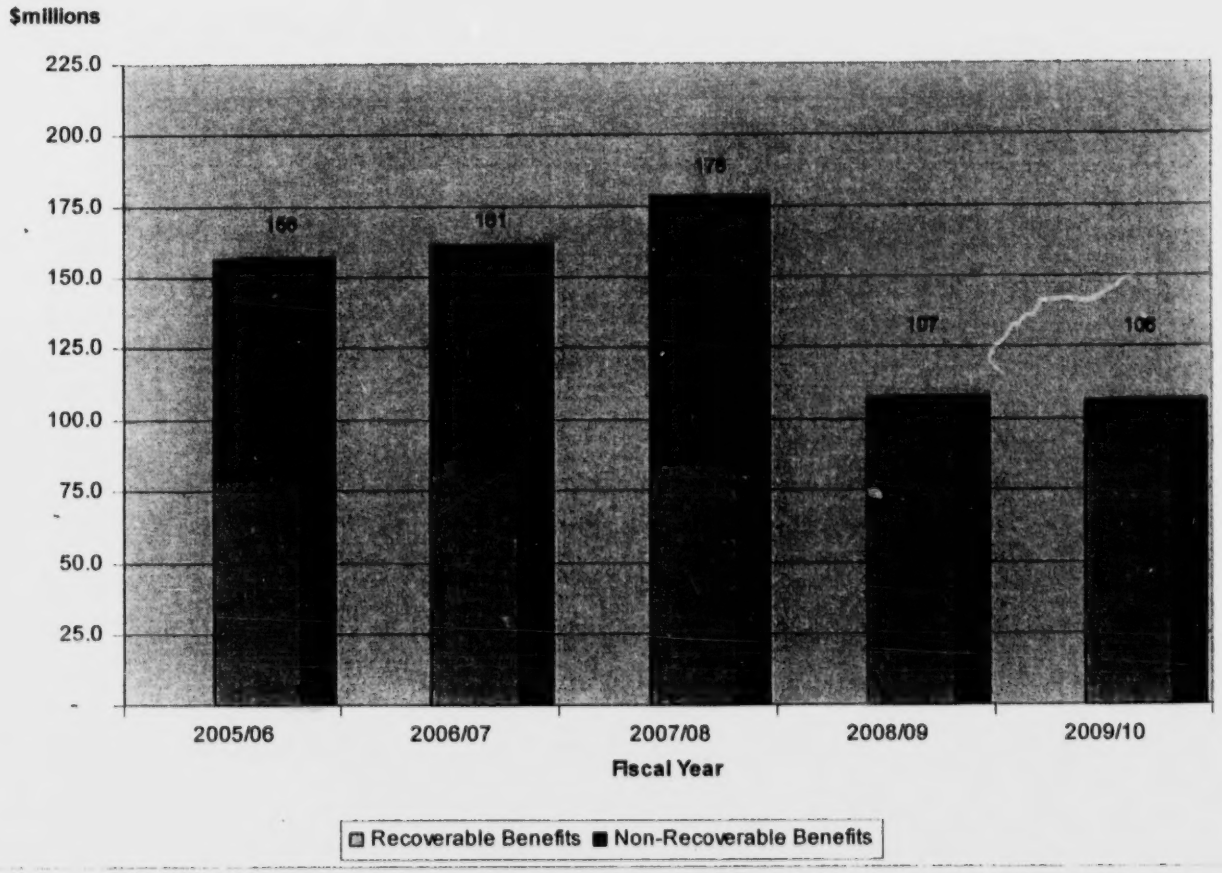
SUB-APPROPRIATION	ACTUAL EXPENDITURES*			ADJUSTED VOTE	ESTIMATES
	2005/06	2006/07	2007/08	2008/09	2009/10
Civil Service Superannuation Plan[1]	69,380	76,070	83,611	7,479	7,634
Other Salary Related Benefits	8,473	3,284	10,967	9,954	7,475
Workers Compensation Board [2]	0	0	0	15	15
Canada Pension Plan	27,399	28,938	29,835	32,623	32,971
Employment Insurance Plan	15,122	15,294	14,610	15,623	15,293
Group Life Insurance Plan	1,815	1,855	1,935	2,019	2,109
Dental Plan	7,177	7,122	7,442	8,247	8,472
Vision Care	1,242	1,268	1,238	1,253	1,201
Prescription Drug Plan	2,904	3,003	3,075	3,754	3,660
Ambulance and Hospital Semi-Private Plan	179	201	201	199	205
Long Term Disability Plan	4,649	4,437	4,632	5,347	5,361
Levy for Health and Post-Secondary Education	16,765	17,406	18,314	19,029	19,818
Health Spending Account	956	1,851	2,007	1,697	1,887
Recoverable from other Appropriations	(81,521)	(83,995)	(86,174)	(89,791)	(90,977)
TOTAL	74,540	76,734	91,693	17,448	15,124

*Adjusted figures reflect historical data on a comparable basis in those appropriations affected by reorganization during the years under review.

1. Effective April 1, 2009, departments are required to match current service contributions for all employees. Fiscal Year 2008/09 has been restated to include the current service contributions and recoveries. Prior years have not been restated.
2. The amounts reflected for Workers Compensation include both assessments and recoveries.

EMPLOYEE PENSIONS AND OTHER COSTS

Five Year Expenditure History



Note: Historical information has not been restated to reflect change in allocation of the employer's share of current service contributions.

CHART 1